

In Re: James and Lauri Waggoner)
Ward 56, Block 3, Parcel 14)
Residential Property) Shelby County
Tax year 2006)

1

Acknowledging the difficulty of this appraisal problem, Mr. Palmer recommended that the valuation of the subject property (as expanded) be reduced from \$547,200 to \$475,600. Among the comparable sales that he cited in support of this figure were 341 Colonial and 4792 Cole Road. Those homes sold for \$154.78 and \$134.41 per square foot, respectively, after having been remodeled to some extent.

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that “[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values....”

Since the taxpayers seek to change the present valuation of the subject property, they have the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

As Mr. Waggoner pointed out, many home improvements and/or additions do not yield a dollar-for-dollar return of expenditures in the local real estate market. The reduced appraisal recommended by the Assessor’s representative implicitly recognizes this fact; for the proposed increase in the value attributed to the subject improvements would be \$140,600 – less than 60% of the aforementioned building permit amount.

Respectfully, the administrative judge is not persuaded that the evidence of record justifies the even lower value sought by the appellant. It is understood that Mr. Waggoner’s house was not completely renovated. There is no indication, though, that any of his comparables had been substantially upgraded before the time of sale. Hence the valuation of the subject property at a somewhat higher rate per square foot would hardly seem anomalous.

Concerning the alleged inequity in the appraisal of 4712 Cole Road, one must bear in mind that “[s]ale price per square foot usually decreases as square feet increase.” International Association of Assessing Officers, Property Appraisal and Assessment Administration (1990), p. 162. This principle would likely come into play with respect to a house on the same block that is 70% larger than the subject. In any event, the State Board has generally adhered to a “market value” standard and refused to adjudicate property assessment appeals on a “comparative appraisal” basis. See Carroll v. Alsup et al., 107 Tenn. 257, 64 S.W. 193 (1901).

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2006:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$191,300	\$245,800	\$437,100	\$109,275

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 22nd day of January, 2007.



PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: James Waggoner
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office

WAGGONER.DOC